



Legislation Text

File #: EDA M2019-033, **Version:** 1

DATE: December 19, 2019

TO: Members of the Economic Development Authority

FROM: Nate Carlson, Economic Development Coordinator

First Amendment to Purchase Agreement for 510 Washington Street

SUMMARY AND ACTION REQUESTED:

The EDA shall make a motion to approve the First Amendment to the Purchase Agreement for 510 Washington Street.

BACKGROUND:

The EDA approved a purchase agreement on October 24, 2019 with Rebound Stencil Development, LLC to sell 510 Washington Street for the 5th Street Lofts project. Within that agreement, the EDA and the Developer agreed upon a closing deadline of December 31, 2019 of the property. However, due to delays in securing construction financing and the weather, the developer is unprepared to close on the EDA property prior to December 31, 2019.

The developer has formally requested that the EDA amend the purchase agreement to extend the closing deadline to March 31, 2019. City Attorney has drafted the amendment and the developer has agreed to the amendment.

ANALYSIS:

If the EDA does not approve the amendment, the developer will default and the agreement will be voided. Once the agreement is voided, the EDA is required to follow State Statute and repeat the process for EDA sale of land. By amending this agreement, the developer will not default and closing will occur in mid-January 2020.

OPTIONS:

The EDA has the following options:

- Make a motion to approve the amendment to the purchase agreement.
- Take no action.

RECOMMENDATION:

Staff recommends approval of the First Amendment to the Purchase Agreement of 510 Washington Street.